No. 2021-7081

Official Order
of the
Texas Commissioner of Insurance

Date: 11/18/2021

Subject Considered:

Westwood Insurance Agency
3333 Michelson Dr., Suite 600
Irvine, California 92612-1686

Consent Order
TDI Enforcement File No. 25785

General remarks and official action taken:

This is a consent order with Westwood Insurance Agency (Westwood). Since 2015, Westwood has performed the acts of a managing general agent (MGA) in Texas without holding the appropriate license. Westwood has since applied for a managing general agent license and has agreed to pay a $32,000 administrative penalty. This order grants Westwood's license application.

Waiver

Westwood acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Westwood waives all these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. Westwood is a non-resident insurance agency domiciled in California.

2. Westwood has held a Texas general lines agency license with a property and casualty qualification since 2002. Westwood previously held a life, accident, health,
and HMO qualification from 2003 until 2015, when Westwood voluntarily surrendered that qualification.

3. Westwood also holds an active surplus lines agency license that was issued by TDI in 2005.

**MGA Agreement with National Specialty Insurance Company**

4. On October 1, 2015, Westwood was assigned the responsibilities and obligations of NGLS Insurance Services, Inc., formerly known as QBE First Insurance Agency (QBE), under a General Agency Agreement (the Agreement) between National Specialty Insurance Company (NSIC), QBE, and QBE Insurance Corporation. The Agreement originally became effective on November 1, 2013.

5. As part of this Agreement, Westwood provided customary agent services on those homeowners policies for which it or its sub-producers were the agent of record. In effect, certain agents had produced homeowners policies as contracted sub-producers of Westwood.

6. Westwood represents that the NSIC program it provided services for was closed to new business and that it did not accept or process new homeowners policies through its sub-producers. Further, Westwood represents it did not administer or adjudicate claims, or negotiate reinsurance, on behalf of NSIC.

7. Westwood further represents that it was not aware that its sale of homeowners policies via sub-producers required MGA licensure because it contends those actions do not require such licensure in most other jurisdictions in which Westwood operates.

8. Despite performing the acts of an MGA, Westwood did not hold the required MGA license in Texas.

9. Westwood performed such functions without the required MGA license beginning October 1, 2015, to date.
MGA Agreements with Other Insurers

10. Since 2007, Westwood has produced insurance business through sub-producers on behalf of its affiliate QBE and other unaffiliated insurance companies and insurance groups.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 4001.002, 4001.102, 4001.106, 4005.101–4005.105, and 4053.051.

2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV’T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.

3. Westwood has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.

4. Westwood violated TEX. INS. CODE § 4053.051 by performing the acts of an MGA without licensure.

Order

It is ordered that Westwood Insurance Agency’s managing general agent license application is granted.

It is further ordered that Westwood Insurance Agency must comply with TEX. INS. CODE §§ 4001.201–4001.202 and H.B. 4030 (87th R.S., eff. Sept. 1, 2021), and specifically, ensure that any of its sub-producers are properly appointed with the insurers for which Westwood Insurance Agency does business.
2021-7081

Commissioner's Order
Westwood Insurance Agency
Page 4 of 5

It is further ordered that Westwood Insurance Agency pay an administrative penalty of $32,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum, Deputy Commissioner
Enforcement Division

Kaycee Crisp, Staff Attorney
Enforcement Division
Comissioner's Order
Westwood Insurance Agency
Page 5 of 5

Affidavit

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

Before me, the undersigned authority, personally appeared Alan M. Lmały, who being by me duly sworn, deposed as follows:

"My name is Alan M. Lmały. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of President and am the authorized representative of Westwood Insurance Agency. I am duly authorized by said organization to execute this statement.

Westwood Insurance Agency has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Affiant

SWORN TO AND SUBSCRIBED before me on October 7, 2021.

NOTARY SEAL

EUGENE V. LOANZON
Notary Public - California
Los Angeles County
Commissioner # 5332075
My Comm. Expires Mar 1, 2022

Signature of Notary Public

Printed Name of Notary Public